Countries and Joint Commissions meetings are held periodically.

A new Indo-EU Cooperation Agreement on Partnership and Development has also come into force since August, 1994. In addition, a Cooperation Strategy has also been launched between India and the European Community for a period of five years recently.

In respect of East Europe, a pro-active customized strategy was adopted to adapt to the new situation with a view to boost trade by adopting measures like substitution of rupee payment trade by hard currency trade, counter trade direct business contacts at the grass-roots level, establishment of joint ventures, identification and development of more viable transport and transit routes, evolution of a more liberalised credit policy vis-a-vis CIS and building up the image of Indian goods through emphasis of quality, launching of brand names, conducting publicity campaigns etc.

All these efforts are expected to further boost India's exports to Europe.

**Extending V.A.B.A.L. to Engineering Sector**

2041. SHRI VIREN J. SHAH:
SHRI PRAMOD MAHAJAN:

Will the Minister of COMMERCE be pleased to state:

(a) whether there is any proposal under Government's consideration to extend the value-based advance licensing scheme to the engineering sector;

(b) if so, what are the details of the proposal;

(c) what will be the specific benefits of this proposal to the engineering sector;

(d) whether there is also a proposal to replace the existing International Price Reimbursement Scheme (IPRS) by an alternative scheme; and

(e) if so, what are the details of the scheme and in what way this scheme will be an improvement on the existing IPRS?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) to (e) The Value based Advance Licensing Scheme is already available to the engineering sector. However following the withdrawal of IPRS for engineering products from 1.4.94, a new scheme called the Engineering Products Exports (Replenishment of Iron and Steel Intermediates) Scheme has been notified on the 1st March, 1995 for sourcing Iron and Steel intermediate inputs at near international prices from indigenous Steel producers for facilitating their exports. Under the Scheme, Iron and Steel intermediates can be sourced from any indigenous Steel producer after export of engineering products.

**Demand, Supply and free import of edible oils**

2042. SHRI ANANT RAM JAISWAL:
SHRI SATYA PRAKASH MALAVIYA:

Will the Minister of COMMERCE be pleased to state:

(a) what is the present position regarding the deamand and supply of edible oils and whether Government have allowed free import of edible oils;

(b) if so, what are the names of firms/agencies/Public Sector Undertakings which have been given permission in this regard and on what basis togetherwith the details of quantity variety of imported edible oils and the estimated foreign exchange involved in such import;

(c) what will be the role of Government in respect of pricing and distribution in the deal of free import of edible oil and in what way the common people will benefit from the import; and

(d) whether it is a fact that Government are committed to import foodgrains/food items in proportionate to a certain portion of their consumption according to GATT agreement?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) During the oil year (Nov.-Oct) 1994-95 estimated demand of edible oils is 69.8 lakh tonnes and production of edible oils likely to be 64.0 lakh tonnes.

With a view to augmenting the availability of indigenous edible oils in the Open market and keep prices under check, the import of all edible oils except coconut oil, palm Kernel Oil, RBD Palm Oil and RBD Palm Stearin has been permitted freedly by all persons vide Ministry of Commerce Notification No. 54(RE)92-97 dated 1.3.95, copy of which is available in the Parliament Library.

(b) and (c) As all edible oils except coconut oil, palm kernel oil, RBD palm oil and RBD palm stearin are freely importable by all persons, the question of granting any permission or regulating their prices or distribution does not arise. Besides augmenting the availability of edible oils to the consumers, competition from imported edible oils will ensure that domestic prices do not rise beyond the landed prices of the imported oils, inclusive of customs duty.

(d) No, Sir.

**Import of Polyester Staple Fibre**

2043. SHRI RAJUBHAI A. PARMAR:
SHRI SUSHILKUMAR SAMBHAJIRAO SHINDE:

Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that certain Polyester consuming textile manufacturers have been permitted to import some 40,000 tonnes of polyster staple fibre at concessional or zero customs duty;

(b) if so, which textile firms have been permitted to import duty free or import such material on concessional rate; and

(c) the circumstances in which such imports were allowed and the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) and (b) No polyster consuming textile manufacturers have been permitted to import polyster staple fibre at concessional or zero customs duty for home consumption.

(c) Does not arise.

**Proposal for Export Insurance Scheme**

2044. SHRI KRISHNA KUMAR BIRLA:
MISS SAROJ KHAPARDE:

Will the Minister of COMMERCE be pleased to state:

(a) whether Government's attention has been drawn to the news-item captioned "Move for export insurance scheme" as reported in 'Hindustan Times' dated 9th February, 1995;

(b) if so, the details of the scheme formulated;

(c) the names of the countries in which Government propose to export such scheme; and

(d) to what extent the goods which are exported would be covered by this scheme?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) to (d) The Export Credit Guarantee Corporation of India Limited (ECGC) is operating various schemes to provide export credit insurance and guarantee facilities to Indian exporters and commercial banks. A proposal to create a separate National Export Insurance Account to cover risks associated with exports to countries having political/liquidity problems had been considered but has not been pursued on account of adverse budgetary implications.